

## LNF & IHCIF Calculations Illustration

### - Sac and Fox of OK in Oklahoma area -

#### Given Data

- 9,249 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 27% = % Expenditures on purchased services, 73% = % expenditures in-house
- 94.4% = Cost index for purchasing health care in this geographic area
- 103.8% = Size cost index for in-house costs due to small or large size
- 96.9% = Oklahoma area cost index for health status above or below average

#### Cost Adjustment Calculations

- \$758 per person for purchased services =  $27\% * 94.4\% * \$2,980$
- \$2,260 per person for in-house services =  $73\% * 103.8\% * \$2,980$
- \$3,018 per person total = \$758 (purchase) + \$2,260 (in-house)
- **\$2,925 per person total** adjusted for health status =  $\$3,018 * 96.9\%$
- **\$2,180 per person net cost** =  $\$2,925 - \$745$  Other resources (M&M&PI)

#### Existing Expenditures (for 9,249 users excluding wrap-around and collections)

- \$498 per person = local IHS allowance (excludes \$ for wrap-around)
- \$77 per person = expenditures elsewhere in Oklahoma area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$629 per person for OU users** =  $\$498 + \$77 + \$54$

#### LNF Calculation

- **21.5% Gross LNF** =  $\$629$  (expenditures) /  $\$2,925$  total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **28.9% Net LNF** =  $\$629 / \$2,180$  net cost ( $\$2,925 - \$745$  other)

#### IHCIF Allocation

- \$6,281,820 = \$ to raise LNF% from 28.9% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction =  $\$9,000,000$  fund /  $\$258,040,100$  needed
- **\$219,110 Allocation** =  $\$6,281,820$  needed for 60% \* 3.488% IHCIF fraction

#### Sac and Fox of OK Unmet Needs

- **\$20,166,464 Net Total Need** =  $9,249$  users \*  $\$2,180$  net cost
- **\$14,348,406 Net Unmet Need** =  $(100\% - 28.9\% \text{ LNF}) * 9,249$  users \*  $\$2,180$  net cost